

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)
CORPORATION TO EXTEND ITS)
DEMAND-SIDE MANAGEMENT PROGRAM) CASE NO. 2011-00395
AS AMENDED AND COST RECOVERY)
MECHANISM AS AMENDED FOR FIVE(5))
YEARS)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation ("Atmos"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than January 2, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Atmos shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Atmos fails or refuses to furnish all or part of the requested information, Atmos shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the response to Item 1 of Commission Staff's Initial Request for Information ("Staff's First Request"). Provide the number of households that would have been eligible for \$3,000 after the final Order in Case No. 2010-00305,¹ assuming weatherization assistance were still approved for that level.

2. Refer to the response to Item 2 of Staff's First Request.

a. Explain what information is included on the invoices, whether Atmos receives itemized invoices, or if it makes lump sum payments for unspecified components and processes.

b. Provide average weatherization costs per household on an annual basis from the inception of the program through December 2011.

¹ Case No. 2010-00305, Application of Atmos Energy Corporation to Modify its Demand-Side Management Program and Cost Recovery Mechanism (Ky. PSC June 21, 2011).

3. Refer to the response to Item 5 of Staff's First Request. Explain why Atmos believes that the expiration date of the American Recovery and Investment Act funding for weatherization will be on or around March 31, 2012.

4. Refer to the response to Item 6 of Staff's First Request.

a. Confirm that the \$12,900 that is listed on Tab 2, page 4, consists solely of employee costs related to the education component of the program, and that these costs are not included in the \$20,000 Education Program costs set out on page 5 of Tab 2.

b. Explain whether Atmos believes it is reasonable to include costs for the same employees both in base rates and in the DSM surcharge.

5. Provide support for the \$20,000 included for Education Program costs, considering the Cumulative Total of \$9,980 shown as Education expenses on the first page of Tab 4.

6. Refer to the responses to Items 8 and 9 of Staff's First Request. Considering the response that a greater incentive is offered for a water heater for which the gas savings is greater, explain whether Atmos considered offering a greater rebate for a cooking product producing greater savings as opposed to offering standard \$500 rebates.

7. Refer to the Application, Tab 2 at page 4. Explain why no Customer Awareness costs are allocated to commercial customers.

8. Refer to the response to Item 15 of Staff's First Request. The table containing the number of participants in rebate programs shows that 713 customers participated in the furnace rebate program from January through December 2010. The

22-month average provided below the table shows that an average of 50.5 per month, or an average of 606 customers annually, participates in the furnace rebate program.

a. Tab 2, page 2 of 27, shows 1,800 total estimated participants in the residential furnace rebate programs, which is the same estimated number of furnace rebate program participants in Case No. 2008-00499. Explain the reasonableness of continuing to use this estimate in light of the historical participation shown in Item 15.

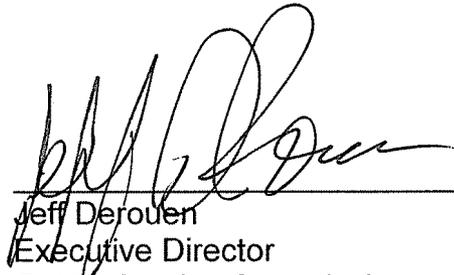
b. Explain the impact on Atmos's proposed Demand Side Management Cost Recovery Component ("DCRC") of continuing to include more than twice the number of historical annual participants in the residential furnace rebate program.

c. Explain whether Atmos would be willing to modify its Balancing Adjustment ("BA") methodology to net the over-recovery that would flow through its BA in 2012 against its proposed DCRC in order to return the over-recovered amount more quickly.

9. Refer to the Application, Tab 2 at page 1. Explain why the Annual Average Recovery Cost per Customer calculation does not include the estimated rebates as it did in Atmos's application in Case No. 2008-00499.

10. Refer to the response to Item 17 of Staff's First Request. Explain how the response to 17a is responsive for 17b.

11. Refer to the response to Item 17c of Staff's First Request. For purposes of comparison, and because of Atmos's current DSM tariff requirements, provide Schedule C of Tab 2 using 10 years of data, along with any other revisions necessitated by the use of 10 as opposed to 25 years, including pages 11 through 27 of Tab 2.



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DATED DEC 12 2011

cc: Parties of Record

Case No. 2011-00395

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